



# Iraq: Foreign Policy of a Major Regional Power

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## National Intelligence Estimate

### Key Judgments

*These Key Judgments represent the views  
of the Director of Central Intelligence  
with the advice and assistance of the  
US Intelligence Community.*

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The Central Intelligence Agency  
The Defense Intelligence Agency  
The National Security Agency  
The Bureau of Intelligence and Research,  
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The Office of Intelligence Support,  
Department of Treasury  
The Office of the Deputy Assistant Secretary  
for Intelligence, Department of Energy

*also participating:*

The Deputy Chief of Staff for Intelligence,  
Department of the Army  
The Director of Naval Intelligence,  
Department of the Navy  
The Assistant Chief of Staff, Intelligence,  
Department of the Air Force  
The Director of Intelligence,  
Headquarters, Marine Corps

*The National Foreign Intelligence Board concurs,  
except as noted in the text.*

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## **Iraq: Foreign Policy of a Major Regional Power**

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- *Despite its position as a regional military powerhouse and its growing oil clout, Iraq will pursue a relatively restrained foreign policy in the region over the next three years while it recovers from the war with Iran. Iraqi restraint reflects the economic and political realities of postwar Iraq rather than a fundamental shift in the Baghdad regime's policies or regional ambitions.*
- *Nuclear development will be a high priority over the next three years, and Iraq probably could develop nuclear weapons by the mid-to-late 1990s with foreign technical assistance. (State/INR and the Department of Energy believe that, even with significant foreign assistance, the earliest Iraq could develop nuclear weapons would be the late 1990s.) Baghdad probably will develop additional agents for biological weapons and increase its capability to produce chemical weapons.*
- *Iraq will expand its ability to produce its own ballistic missiles and, with continued foreign assistance, probably will begin indigenous production of a 1,000-kilometer-range missile capable of carrying chemical and biological weapons by the early-to-middle 1990s.*
- *Saddam will continue to try to weaken Syria and oust Syrian President Assad. Iraq will view terrorism as an option against Iraqi dissidents and hostile Arab states, primarily Syria.*
- *Baghdad will seek good relations with the United States and the Soviet Union to discourage either superpower from favoring Iran.*

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## Key Judgments

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We believe that over the next three years Iraq will pursue largely restrained foreign policies that will not seriously threaten US interests and allies in the region. Although Iraq possesses the most powerful military in the Arab world and the world's second-largest oil reserves, the Baghdad regime feels vulnerable because of economic problems and because it believes it faces potential threats from Iran, Syria, Israel, and internal opponents. Iraq's sense of insecurity will lead Baghdad to seek continued foreign economic, diplomatic, and military support:

- President Saddam Husayn will try to enhance Iraqi military superiority over Iran, to share leadership of the Arab world with Egypt, and to seek good relations with both superpowers during the next three years.
- Iraqi restraint reflects the economic and political realities of postwar Iraq rather than a fundamental shift in the Baghdad regime's policies or regional ambitions.

### **Peace Talks With Iran**

Iraq is unlikely to initiate major hostilities against Iran during the next three years. Baghdad believes that Iran's desire for economic reconstruction eventually will force Tehran to make concessions in the negotiations. The Iraqis seek a comprehensive peace settlement guaranteed by the United Nations, which they believe Iran will be more likely to observe.

### **Goals and Relations in the Region**

**Israel.** Iraq will continue to endorse PLO Chairman Arafat's efforts to negotiate a settlement with Israel, but will remain a harsh critic of Tel Aviv. Although Iraq probably will not initiate an attack on Israel, Baghdad would retaliate if Israel attacked a key Iraqi nuclear or military facility.

**Syria.** Iraq will strive to weaken Syria and, if possible, oust President Hafiz al-Assad. Iraqi activities in Lebanon are largely designed for this purpose. Nonetheless, we believe that Iraq would be reluctant to engage Syria in direct military confrontation in Lebanon where Damascus holds the advantage. If Syrian forces were on the verge of destroying Iraq's Christian surrogates, the Baghdad regime probably would move several divisions to the Syria-Iraq border to pressure the Syrians, but would try to avoid a major clash.

**Kuwait.** To increase Iraq's narrow access to the Persian Gulf, the Iraqis will try to gain control of the Kuwaiti islands of Warbah and Bubiyan. Baghdad probably will not use military force to seize the islands during the next three years, but would settle for a long-term lease.

**Terrorism.** Baghdad will continue to view terrorism and subversion as options against Iraqi dissidents abroad and against countries—primarily Syria—that the Iraqis believe use terrorism against Iraq. We believe Iraq will restrain Iraqi-sponsored terrorists from striking US interests.

#### **Nuclear and Unconventional Weapons Development**

We believe Saddam sees a nuclear weapons option as essential to Iraq's security and regional ambitions and is moving to obtain such a capability. In addition, Iraq places a high priority on the development and stockpiling of chemical and biological agents and on acquiring a delivery capability to deter Iran and Israel:

- Iraq probably could develop a nuclear device by the mid-to-late 1990s with foreign technical assistance. (State/INR and the Department of Energy believe that, even with foreign assistance, the earliest that Iraq would be able to develop a nuclear device would be the late 1990s.) Although highly unlikely, Iraq might develop a nuclear weapon in the next two to four years if it received substantial foreign technical assistance and had a clandestine source of weapons grade nuclear material.
- Baghdad probably will increase its capability to produce chemical weapons and will develop additional agents for biological weapons.
- Baghdad places a high priority on expanding its capability to build its own ballistic missiles. Iraq, with foreign assistance, has modified a Scud missile with a range of at least 600 kilometers. We believe that, with continued foreign assistance, Iraq will begin indigenous production of a 1,000-kilometer-range ballistic missile, possibly by the early-to-middle 1990s.

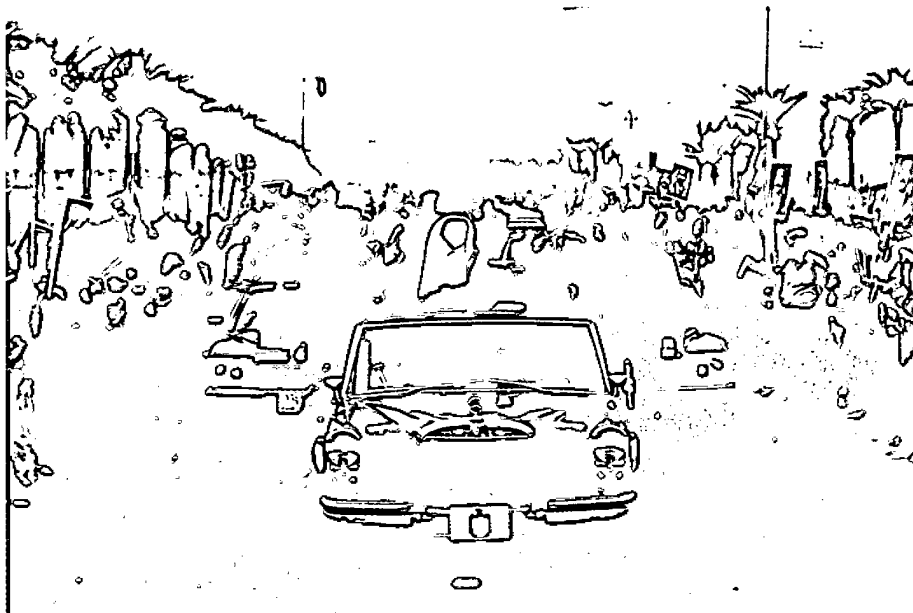
The acquisition of such weapons and the means to deliver them will raise Saddam's sense of security and power and increase the likelihood that he will pursue a more aggressive foreign policy.

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#### **Economic Prospects and Oil Policy**

Despite Iraq's enormous economic potential stemming from its oil wealth, Baghdad's financial problems—including a large foreign debt—will sharply limit Iraq's economic prospects over the next three years. Iraq will pursue a more forceful oil policy as new export capacity becomes available.

**Figure 1. Iraqi President Saddam Husayn with Saudi King Fahd in Baghdad.** *We judge that Saddam's considerable ego ultimately will lead him to seek Iraqi leadership of the Arab world. For all his inflated long-term ambitions, Saddam is a pragmatic political operator rather than a visionary ideologue and probably is receptive to moderating influence.* ☐



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Increased oil exports will increase tensions with Saudi Arabia and other key OPEC oil producers, but their ability to restrain Baghdad will decrease as Iraq's oil capacity grows. ☐

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#### **Changes in Iraqi Leadership**

We believe that Saddam's security services have largely eliminated organized opposition. A coup against Saddam is unlikely in the next three years, but assassination will remain a threat:

- In such an event, Saddam's likely successor, Maj. Gen. Husayn Kamil al-Majid, would face increased dissidence as well as a greater threat of military coups.
- Any new regime probably would pursue foreign policies similar to Saddam's because Iraqi leaders will continue to see the same external threats.

#### **Relations With the Superpowers**

Baghdad believes that the United States and the Soviet Union regard Iran as more important than Iraq. To keep either superpower from favoring Iran to the detriment of Iraqi interests, Baghdad will:

- Try to maintain its ties to the Soviets through arms purchases and development contracts.
- Try to expand the US economic stake in Iraq.

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Nonetheless, US-Iraqi relations are likely to suffer setbacks over the next few years because of continued US criticism of Iraqi human rights abuses and nuclear, chemical, biological, and ballistic missile development programs, as well as possible friction with US allies in the region.

**Influencing Iraq**

Although efforts to change Iraqi policy will have only limited success, we believe the West can influence Baghdad by:

- Exploiting Saddam's considerable ego and desire to be regarded as a respected leader in the Arab world.
- Exploiting Iraq's need or desire for Western technology, credits, and military technology.
- Taking advantage of Iraqi fears of improved Iranian relations with the United States and the Soviet Union.



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